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No. 84-1258

IN THE
Supreme Court of the United States

October Term, 1984

CHEMICAL BANK and
WASHINGTON PUBLIC POWER SUPPLY SYSTEM,
Petitioners,

v.

PUBLIC UTILITY DISTRICT NO. 1
OF BENTON COUNTY, WASHINGTON, et al.,
Respondents.

ON PETITION FOR WRIT OF CERTIORARI TO
THE SUPREME COURT OF WASHINGTON

BRIEF OF RESPONDENTS PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON AND PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY, WASHINGTON IN RESPONSE TO PETITION FOR WRIT OF CERTIORARI

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BEST AVAILABLE COPY

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I. IDENTITY OF RESPONDING PARTIES

These responding parties are Public Utility District No. 1 of Chelan County, Washington ("Chelan"), and Public Utility District No. 1 of Douglas County, Washington ("Douglas"). In 1976, Chelan and Douglas each entered into a "Participants' [sic] Agreement" purchasing a portion of the "project capability" of Projects Nos. 4 and 5 of the Washington Public Power Supply System ("Supply System").

II. POSITION OF RESPONDING PARTIES

Chelan and Douglas support the granting of the Petition for Certiorari.

III. BASIS FOR GRANTING THE PETITION

As indicated, in 1976 Chelan and Douglas entered Participants' Agreements. One purpose of the Participants' Agreements was to provide a source of revenue for repayment of revenue bonds issued by the Supply System to construct Projects Nos. 4 and 5.

Chelan and Douglas believed in 1976, and continue to believe, that they had authority to enter the Participants' Agreements. They made all payments required by the Participants' Agreements either directly to the Supply System or to an escrow account established by the Superior Court for King County, Washington, until the decision of the court below, *Chemical Bank* v. *Washington Public Power Supply System*, 99 Wn. 2d 772, 666 P.2d 329 (1983). Chelan and Douglas supported the trial court's determination upholding authority.

Chelan and Douglas believe the decision in the court below constituted a change in the law of Washington. Chelan and Douglas believe the enormity of the loss to bondholders and the significance of the issues raised by petitioners warrant this Court's review. Rule 17.1.

IV. CONCLUSION

In conclusion, Chelan and Douglas respectfully urge this Court to grant the petition and reverse the decision below.

DATED this 29th day of March, 1985.

Respectfully submitted,

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